

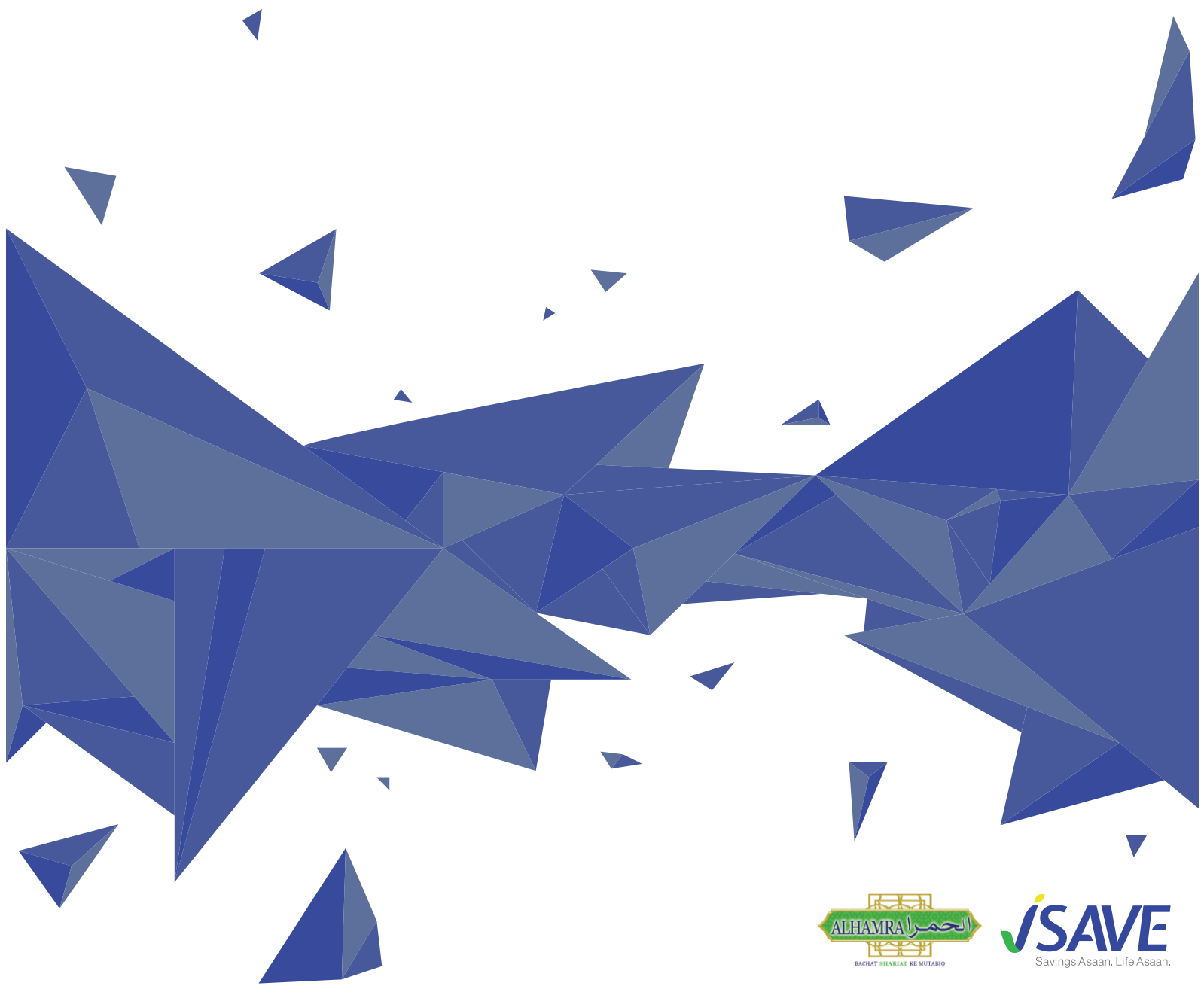


MCB-ARIF HABIB
Savings and Investments Limited

HALF YEARLY REPORT

DECEMBER
2021
(UNAUDITED)

Funds Under Management of
MCB-Arif Habib Savings and Investments Limited



MCB PAKISTAN STOCK MARKET FUND

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FUND'S INFORMATION

Management Company	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor, I.I. Chundrigar Road, Karachi.	
Board of Directors	Mr. Haroun Rashid Mr. Nasim Beg Mr. Muhammad Saqib Saleem Mr. Ahmed Jahangir Mr. Kashif A. Habib Mirza Qamar Beg Syed Savail Meekal Hussain Ms. Mavra Adil Khan	Chairman Vice Chairman Chief Executive Officer Director Director Director Director Director
Audit Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Mr. Kashif A. Habib Syed Savail Meekal Hussain	Chairman Member Member Member Member
Human Resource & Remuneration Committee	Mirza Qamar Beg Mr. Nasim Beg Mr. Ahmed Jahangir Syed Savail Meekal Hussain Ms. Mavra Adil Khan Mr. Muhammad Saqib Saleem	Chairman Member Member Member Member Member
Chief Executive Officer	Mr. Muhammad Saqib Saleem	
Chief Operating Officer & Chief Financial Officer	Mr. Muhammad Asif Mehdi Rizvi	
Company Secretary	Mr. Altaf Faisal Ahmad	
Trustee	Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block 'B'S.M.C.H.S Main Shahra-e-Faisal Karachi Tel: (92-21) 111-111-500 Fax: (92-21) 34326053 Web: www.cdcpakistan.com	
Bankers	MCB Bank Limited Silk Bank Limited Bank Al Habib Limited Habib Bank Limited Allied Bank Limited Bank Alfalah Limited Habib Metropolitan Bank Limited Standard Chartered Bank Limited United Bank Limited JS Bank Limited National Bank Of Pakistan	
Auditors	Ernst & Young Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road, P.O.Box 15541 Karachi, Sindh-75530, Pakistan.	
Legal Advisor	Bawaney & Partners 3rd & 4th Floor, 68 C, Lane 13, Bukhari Commercial Area Phase VI, D.H.A., Karachi	
Transfer Agent	MCB-Arif Habib Savings & Investments Limited Adamjee House, 2nd Floor I.I. Chundrigar Road, Karachi.	
Rating	AM1 Asset Manager Rating assigned by PACRA	

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Dear Investor,

On behalf of the Board of Directors, we are pleased to present **MCB Pakistan Stock Market Fund** accounts review for the half year ended December 31, 2021.

Economy and Money Market Review

The fiscal year started on strong note with government's renewed focus on reviving growth, as new finance minister announced several incentives in fiscal year 2022 (FY22) budget to spur growth. This was in addition to lagged impact of monetary easing (6.25% drop since start of covid lockdowns), low inflation and incentives on capital investment at lower rates (TERF), which further supported to growth premise. However, the sharp recovery in domestic demand, coupled with rising international commodity prices, led to a strong pick-up in imports and a commensurate increase in the current account deficit. Widening deficit also reflected on the exchange rate as the rupee depreciated by 10.4% against USD during first half of fiscal year ending June 2022 (1HFY22).

The country posted a current account deficit of USD 9.1bn in 1HFY22 compared to a surplus of USD 1.3bn in the corresponding period last year. This was the largest CAD since FY18, when country witnessed a deficit of USD 8.7bn in first half of the fiscal year. The deterioration came in primarily on the back of higher imports which grew by 56.9% in 1HFY22 compared to export growth of 29.0%. Trade Deficit increased by 86.0% to USD 21.2bn compared to USD 11.4bn in same period last year. The unprecedented increase in imports mainly came from historic high prices of our commodity basket including crude oil, palm oil, coal coupled with one time vaccines imports. As per our estimates, prices contributed more than two-third of the increase in import bill.

Foreign exchange reserves of central bank saw an increase of USD 0.4bn as Pakistan received USD 2.75 billion from the IMF under its new SDR allocation and USD 3bn from Saudi Arabia for reserve support. The inflows helped in stabilizing forex reserves despite the huge current account deficit and due repayments.

Inflation remained a concern as rising commodities continued to create challenges for policy makers. Headline inflation represented by CPI averaged 9.8% in 1HFY22 compared to 8.6% in 1HFY21. The rise mainly came from higher food prices, elevated energy costs (both electricity and fuel) and second round impact of PKR depreciation, which keeps the prices of imported commodities high. Core inflation as measured by Non Food Non Energy also depicted an upward trend as it increased to 8.5% in December 2021 compared to 6.9% in June 2021. The SBP increased policy rate by a cumulative 275bps to 9.75% in this half to counter inflationary pressures and slow aggregate demand.

On the fiscal side FBR tax collection increased by 32.5% in 1HFY22 to PKR 2,920bn compared to PKR 2,204bn during same period last year. This exceeded the target of 2,633bn by 287bn. The improved tax collection was primarily on the back of higher custom duty and sales tax collected due to higher imports. Secondary markets yields have increased significantly in the half as SBP started the monetary tightening cycle. The recent depreciation in rupee along with persistently high commodity prices will add pressure to inflation and we expect average FY22 inflation to clock at 11.7% above the range of 9-11% forecasted by SBP. Bond yields for tenors of 3 years, 5 years and 10 years witnessed a rise of 1.7%, 1.5% and 1.2%, respectively during the period.

Equity Market Review

The KSE-100 Index posted a negative return of 5.8% (2,760 points drop) in 1HFY22 compared to a positive return of 27.1% in same period last year. Challenging macros (rising in interest rate, depreciating PKR and widening twin deficit), increasing commodity prices, and MSCI's decision to downgrade Pakistan from Emerging Market to Frontier Market all weighted heavily on the index.

Cements, Refinery, Oil & Gas Marketing companies remained the major index dampeners, contributing 1,096 points, 370 points and 339 points to the index fall, respectively. In the cement sector, unpreceded surge in international coal prices (USD 250/ton compared to an average of USD 64.5/ton last year)

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2021

created a weak near-term earnings outlook for the sector leading to selling pressure. Moreover, decline in refineries and OMCs were largely on the account of delay in approval of refinery policy and continuous accumulation of circular debt, respectively.

Foreign institutional investors continued their selling spree, adding another USD 250 million during the half year, majority of which was countered by Individuals and Insurance companies. During the half year, average trading volumes saw a decline to 340 million shares compared to about 447million shares during the preceding half. Similarly, average trading value during the half saw a drop of 39% over last half to near USD 42 million.

FUND PERFORMANCE

During the period, PSM generated a return of -4.41% as compared to a return of -5.83% witnessed by the KSE100 Index. Overall equity exposure stood at 95.0% on December 31, 2021. The fund remained vigilant of the external factors and the investment strategy was maneuvered considering the fundamental developments. The allocation was mainly held in Commercial Banks, Cement and Oil & Gas Exploration Companies.

The Net Assets of the fund as at December 31, 2021 stood at Rs. 11,304 million as compared to Rs. 12,397 million as at June 30, 2021 registering a decrease of 8.82%.

The Net Asset Value (NAV) per unit as at December 31, 2021 was Rs. 99.0545 as compared to opening NAV of Rs. 103.6294 per unit as at June 30, 2021 registering a decrease of 4.5749 per unit.

Economy & Market – Future Outlook

The policy makers have moved their focus from growth to macroeconomic consolidation in view of elevated current account deficit and higher inflation trajectory. The SBP took a number of measures to curtail aggregate demand and imports including monetary tightening, raising cash reserve requirement and discouraging auto financing by banning financing of imported vehicle while capping financing requirement to PKR 3mn for locally assembled cars. These steps have started yielding results with imports receding from their historic high and currency depicting relative stability.

We expect GDP to grow by 4.6% this year slightly lower than the government target of 4.8%. We expect Agriculture, Industrial and Services Sector to grow by 5.0%, 4.1% and 4.6% respectively. Industrial Sector growth is likely to remain robust but below government target due to some demand compression as a result of monetary tightening. Agriculture sector growth on the other hand is likely to exceed government estimates due to expected bumper wheat and cotton crop. The Covid Vaccination roll out has been quite successful which is anticipated to unleash Services growth as this segment was the most affected by the pandemic.

The persistently elevated international commodities prices especially petroleum, palm oil, coal, fertilizers and steel, has led to a strong pick-up in imports and a rise in the current account deficit, which we expect to close the year around USD 16 billion (4.3% of GDP). This would be the largest current account deficit since fiscal year 2018, when the country posted CAD of USD 19.2 billion (6.1% of GDP). Responding to a high CAD, we expect PKR to depreciate further to end the fiscal year near PKR 183 against a dollar.

Successful continuation of the IMF program will be a key prerequisite to keep the financial account in positive zone. The SBP is expected to continue to discourage unnecessary imports and use flexible market determined exchange rate and appropriate monetary policy setting to ensure sustainable external account position. The remittances along with bilateral and multilateral flows would also be crucial in managing our external position.

The expected rise in energy tariffs, currency depreciation and higher international commodities prices will lead to increase in inflation in this year. We expect inflation to remain in double digits for rest of the fiscal year to average around 11.7% for year. SBP has increased policy rate by a cumulative 275bps to 9.75%

REPORT OF THE DIRECTOR OF THE MANAGEMENT COMPANY FOR THE HALF YEAR ENDED DECEMBER 31, 2021

to counter inflationary pressures and ensure that growth remains sustainable. It has indicated that its goal to achieve mildly positive interest rate on a forward-looking basis was now close to being achieved. However, the recent surge in international oil prices poses upside risk to the equation. We expect interest rates to rise around 10%-10.5% by the end of fiscal year.

From capital market perspective, particularly equities, the recent correction in stock prices have opened up valuation. The market has priced in expected interest rate increase and currency depreciation. Market cap to GDP ratio has declined to 14.4%, a discount of 57% from its historical average. Similarly, risk premiums are close to 5.9%, compared to historical average of 1.9% signifying abnormal returns for long term investors. We believe a micro view of sectors and stock will remain important and investment selection should focus on companies which trade at a deep discount to their intrinsic value. The market is currently trading at PER of 5.5x, while offering a dividend yield of 8.2%.

For debt holders, we expect Money Market Funds to continue to seamlessly mirror policy rates throughout the year. On the other hand, government bonds yields may continue to remain at elevated levels given expected increase in interest rates. We remain cautious at the current levels of bond yields and would continue to monitor the data points to capitalize on opportunities.

Mutual Fund Industry Review

The Net Assets of the open end mutual fund industry increased by about 7.0% during the half to PKR 1,090bn at the end of 1HFY22. Total money market funds grew by about 19.9% since June 2021. Within the money market sphere, the conventional funds dominated as they grew by about 33.9% to PKR 382bn while Islamic funds declined by 2.3% to PKR 178bn. In addition, the total fixed Income funds increased by about 0.9% since June 2021, as the conventional income funds declined by 3.7% to PKR 121bn. Equity and related funds declined by 8.1% as market witnessed a decline in the half eroding AUMS as concern over macroeconomic and geopolitical factors kept investors at bay.

In terms of the segment share, Money Market funds were the leader with a share of around 51.4%, followed by Equity and Equity related funds with a share of 25.2% and Income funds having a share of 22.7% as at the end of 1HFY22.

Mutual Fund Industry Outlook

The recent increase in interest rates along with prospect of further monetary tightening would increase flows in the money market funds. The money markets funds by virtue of its short duration would be the ideal for investors with a short term horizon and low risk profile. However recent correction in stock prices have opened up valuations and long term investors would look to add equity exposure at these attractive levels. Our operations remained seamless and given our competitive edge due to aggressive investment in digital access and online customer experience, the environment provides an opportunity with growing number of investors available online.

ACKNOWLEDGMENT

The Board is thankful to the Fund's valued investors, the Securities and Exchange Commission of Pakistan and the Trustees of the Fund for their continued cooperation and support. The Directors also appreciate the efforts put in by the management team.

On behalf of Directors,



Muhammad Saqib Saleem
Chief Executive Officer
February 08, 2022



Nasim Beg
Director / Vice Chairman
February 08, 2022

ڈائریکٹر رپورٹ

میوچل فنڈ صنعت کا جائزہ

اوپن اینڈ میوچل فنڈ صنعت کے Inet اثاثہ جات مالی سال 2022ء کے نصف اول کے دوران تقریباً 7.0 فیصد بڑھ کر اختتام مدت پر 1,090 بلین روپے ہو گئے۔ منی مارکیٹ کی مجموعی فنڈ میں جون 2021ء سے اب تک تقریباً 19.9 فیصد کا اضافہ ہوا ہے۔ منی مارکیٹ کے دائرہ کار میں روایتی فنڈ حاوی رہے کیونکہ تقریباً 33.9 فیصد بڑھ کر 382 بلین روپے ہو گئے، جبکہ اسلامک فنڈ 2.3 فیصد کم ہو کر 178 بلین روپے ہو گئے۔ مزید براں، مجموعی فکسڈ انکم فنڈز میں جون 2021ء سے اب تک تقریباً 0.9 فیصد اضافہ ہوا کیونکہ روایتی انکم فنڈ 3.7 فیصد کم ہو کر 121 بلین روپے ہو گئے۔ ایکوٹی اور متعلقہ فنڈ 8.1 فیصد کم ہو گئے کیونکہ زیر جائزہ شتاہی کے دوران مارکیٹ میں انحطاط آیا اور اثاثہ جات تحت الانتظامیہ کم ہو گئے کیونکہ وسیع معاشی اور جغرافیائی سیاسی عوامل سے متعلق خدشات سرمایہ کاروں کی حوصلہ شکنی کا سبب بنے۔

شعبہ جاتی اعتبار سے مالی سال 2022ء کے نصف اول کے اختتام پر منی مارکیٹ فنڈ تقریباً 51.4 فیصد حصے کے ساتھ سب سے آگے تھے، جبکہ دوسرے نمبر پر ایکوٹی اور متعلقہ فنڈ تھے جن کا 25.2 فیصد حصہ تھا، اور تیسرے نمبر پر انکم فنڈ تھے جن کا 22.7 فیصد حصہ تھا۔

میوچل فنڈ کی صنعت کے مستقبل کا منظر

سود کی شرحوں میں حالیہ اضافے اور مزید مالیاتی سختی کے امکان سے منی مارکیٹ فنڈز میں آمدورفت میں اضافہ ہوگا۔ منی مارکیٹ فنڈ اپنی مختصر مدت کے سبب ایسے سرمایہ کاروں کے لیے موزوں ترین ہوں گے جو مختصر میعاد میں کام کرنا چاہتے ہیں اور زیادہ خطرہ مول لینا نہیں چاہتے۔ تاہم اسٹاک کی قیمتوں میں حالیہ تصحیح نے تعینات قدر رکھول دی ہیں اور طویل المیعاد سرمایہ کاران پر کشش سطحوں پر ایکوٹی میں مزید پیسہ لگانا چاہیں گے۔ ہمارے آپریشنز بلا رکاوٹ جاری رہے، اور ڈیجیٹل رسائی اور آن لائن سہولیات میں بھرپور سرمایہ کاری کے نتیجے میں ہمیں جو سبقت حاصل ہے اس کی بدولت ہم آن لائن کام کرنے والے سرمایہ کاروں کی بڑھتی ہوئی تعداد سے استفادہ کر سکتے ہیں۔

اظہار تشکر

بورڈ فنڈ کے قابل قدر سرمایہ کاروں، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور فنڈ کی ٹرسٹیز کے مسلسل تعاون اور حمایت کے لیے شکر گزار ہے۔ نیز، ڈائریکٹر انتظامیہ ٹیم کی کاوشوں کو بھی خراج تحسین پیش کرتے ہیں۔

من جانب ڈائریکٹر



نیم بیگ

ڈائریکٹر/وائس چیئرمین
08 فروری 2022ء



محمد ثاقب سلیم

چیف ایگزیکٹو آفیسر
08 فروری 2022ء

ڈائریکٹر ز رپورٹ

کھاد اور اسٹیل، کی مسلسل بڑھی ہوئی بین الاقوامی قیمتوں کے نتیجے میں درآمدات تیزی سے اوپر گئیں اور کرنٹ اکاؤنٹ خسارے (سی اے ڈی) میں اضافہ ہوا جو ہماری توقع کے مطابق اختتام سال پر تقریباً 16 بلین (جی ڈی پی کا 4.3 فیصد) ہوگا۔ یہ مالی سال 2018ء میں 19.2 بلین ڈالر (جی ڈی پی کے 6.1 فیصد) کے بعد سے اب تک کا سب سے زیادہ سی اے ڈی ہوگا۔ ہم سمجھتے ہیں کہ بلند سی اے ڈی کے رد عمل کے طور پر روپے کی قدر میں مزید کمی ہوگی اور اختتام مالی سال پر یہ 183 روپے فی ڈالر ہو جائے گا۔

’آئی ایم ایف‘ پروگرام کا کامیاب تسلسل مالی گوشوارے کو مثبت حد میں رکھنے کی اہم ترین شرط ثابت ہوگا۔ اُمید ہے کہ ایس بی پی غیر ضروری درآمدات کی حوصلہ شکنی جاری رکھے گا اور مارکیٹ کا تعین کردہ لچکدار زر مبادلہ کی شرح اور مالیاتی پالیسی کی موزوں ترتیب استعمال کر کے خارجی گوشوارے کی قابل بقاء صورتحال کو یقینی بنائے گا۔ ترسیلات زر کے ساتھ ساتھ دوطرفہ اور کثیرالجہتی آمد و رفت بھی ہماری خارجی صورتحال کو سنبھالنے میں اہم ثابت ہوں گی۔

بجلی کی قیمتوں میں متوقع اضافے، روپے کی قدر میں کمی اور اشیاء کی بڑھی ہوئی بین الاقوامی قیمتوں کے نتیجے میں اس سال افراط زر میں اضافہ ہوگا۔ ہماری توقع کے مطابق افراط زر بقیہ مالی سال میں دو ہندسوں پر مشتمل رہے گی اور یوں اس کا اوسط برائے سال تقریباً 11.7 فیصد بنے گا۔ ایس بی پی نے پالیسی شرح میں مجموعی طور پر 275bps کا اضافہ کر کے اسے 9.75 فیصد کر دیا ہے تاکہ افراط زر کے دباؤ سے نمٹا جاسکے اور یہ یقینی بنایا جاسکے کہ ترقی قابل بقاء رہے۔ ایس بی پی نے اس طرف اشارہ کیا ہے کہ اس کا فارورڈ لکنگ بنیاد پر ہلکا پھلکا مثبت شرح سود حاصل کرنے کا مقصد پورا ہونے کے قریب تھا، تاہم تیل کی بین الاقوامی قیمتوں میں اضافہ رکاوٹ بن رہا ہے۔ ہم سمجھتے ہیں کہ مالی سال کے اختتام تک سود کی شرحوں میں تقریباً 10 سے 10.5 فیصد تک کا اضافہ ہوگا۔

کیپیٹل مارکیٹ، خصوصاً ایکویٹیز، کے تناظر میں اسٹاک کی قیمتوں میں حالیہ تصحیح سے تعین قدر کھل گئی ہے۔ مارکیٹ نے شرح سود میں متوقع اضافے اور روپے کی قدر میں کمی کو مد نظر رکھا ہے۔ مارکیٹ cap کا جی ڈی پی کے ساتھ تناسب کم ہو کر 14.4 فیصد رہ گیا جو اس کے historical اوسط سے 57 فیصد کم ہے۔ اسی طرح، رسک پریمیم 5.9 فیصد کے قریب ہیں جبکہ اس کے بالمقابل اس کا تاریخی اوسط 9.1 فیصد تھا، جس کا مطلب ہے طویل المیعاد سرمایہ کاروں کے لیے غیر معمولی منافع جات ہوں گے۔ ہم سمجھتے ہیں کہ سیکٹرز اور اسٹاک کا خورد منظر زیادہ اہم رہے گا اور سرمایہ کاری کے انتخاب کا انحصار ایسی کمپنیوں پر ہونا چاہیے جو اپنی اندرونی قدر میں گہری رعایت پر تجارت کرتی ہیں۔ مارکیٹ میں فی الوقت 5.5x قیمت کے آمدنی کے ساتھ تناسب (PER) پر تجارت ہو رہی ہے جبکہ 8.2 فیصد ڈیویڈنڈ دستیاب ہے۔

قرض حاملین کے لیے ہم توقع کرتے ہیں کہ بازار زر کے فنڈ سال بھر بلا رکاوٹ پالیسی شرحوں کی عکاسی جاری رکھیں گے۔ دوسری جانب حکومتی بانڈز متوقع پیداواری خم میں شامل ہو چکے ہیں۔ ہم بانڈز کے منافع جات کی موجودہ سطحوں پر محتاط ہیں اور ڈیٹا پوائنٹس کی نگرانی جاری رکھیں گے تاکہ مواقع سے فائدہ اٹھایا جاسکے۔

گردشی قرض کا مسلسل جمع ہونا ہے۔

غیر ملکی ادارہ جاتی سرمایہ کاروں نے فروخت کا سلسلہ جاری رکھا اور نصف سال کے دوران مزید 250 ملین ڈالر کا اضافہ کیا، جس کے اکثر حصے کا مقابلہ افراد اور بیمہ کمپنیوں نے کیا۔ زیر جائزہ نصف سال کے دوران اوسط تجارتی حجم کم ہو کر 340 ملین حصص ہو گئے جبکہ اس کے بالمقابل گزشتہ نصف سال کے دوران تقریباً 447 ملین حصص تھے۔ اسی طرح، اوسط تجارتی قدر زیر جائزہ نصف سال کے دوران گزشتہ نصف سال کے مقابلے میں 39 فیصد کم ہو کر تقریباً 42 ملین ڈالر ہو گئی۔

فنڈ کی کارکردگی

اس عرصے کے دوران کے ایس ای 100 انڈیکس کے 5.83- فیصد کے منافع کے مقابلے میں 4.41- فیصد کا منافع حاصل کیا۔ 31 دسمبر 2021ء کو مجموعی طور پر ایکویٹی میں مجموعی سرمایہ کاری 95.0 فیصد رہا۔ فنڈ بیرونی عوامل سے چوکس رہا اور بنیادی پیش رفت کو مد نظر رکھتے ہوئے سرمایہ کاری کی حکمت عملی اپنائی گئی۔ یہ مختص بنیادی طور پر کمرشل بینکوں، سینٹ اور تیل اور گیس کی تلاش کرنے والی کمپنیوں میں منعقد کیا گیا تھا۔ 31 دسمبر 2021ء کو فنڈ کے خالص اثاثے 11,304 ملین روپے رہے جبکہ 30 جون 2021ء کو فنڈ کے خالص اثاثے 12,397 ملین روپے تھے، جو کہ 82.8 فیصد کی کمی ہے۔

31 دسمبر 2021ء تک خالص اثاثہ قدر (این اے وی) فی یونٹ 99.0545 روپے رہی جبکہ 30 جون 2021ء کو (این اے وی) 103.6294 روپے رہی جو کہ 4.5749 روپے فی یونٹ کی کمی درج ہے۔

معیشت اور مارکیٹ - مستقبل کا منظر نامہ

کرنٹ اکاؤنٹ خسارے اور افراط زر میں اضافے کے پیش نظر پالیسی سازوں نے اپنی توجہ کا مرکز ترقی سے ہٹا کر وسیع معاشی ہم آہنگی کو بنالیا ہے۔ 'ایس بی پی' نے مجموعی طلب اور درآمدات کو کم کرنے کے لیے متعدد اقدامات کیے مثلاً مالیاتی سختی، نقد ذخائر کی مطلوبہ سطح میں اضافہ، اور آٹو فنانسنگ یعنی بینک وغیرہ سے قرض لے کر گاڑی کے حصول کی حوصلہ شکنی بذریعہ درآمد شدہ گاڑیوں کی فنانسنگ پر پابندی اور مقامی تیار کردہ گاڑیوں کی فنانسنگ کے لیے 3 ملین روپے کی مطلوبہ سطح کا تعین۔ ان اقدامات کے ثمرات ظاہر ہونا شروع ہو گئے ہیں کیونکہ درآمدات اپنی تاریخی بلند ترین سطح سے نیچے آ رہی ہیں اور روپیہ نسبتاً مستحکم ہو رہا ہے۔

ہمیں مجموعی ملکی پیداوار (جی ڈی پی) میں اس سال 4.6 فیصد کی ترقی کی اُمید ہے جو حکومتی ہدف 4.8 فیصد سے کچھ کم ہے۔ ہماری توقع کے مطابق زرعی، صنعتی اور خدمات کے شعبوں میں بالترتیب 5.0 فیصد، 4.1 فیصد اور 4.6 فیصد ترقی ہوگی۔ صنعتی شعبے کی ترقی ممکنہ طور پر بھرپور لیکن حکومتی ہدف سے کم ہوگی کیونکہ مالیاتی سختی کے باعث طلب کچھ حد تک سکڑ جائے گی۔ دوسری جانب زرعی شعبے کی ترقی متوقع طور پر حکومتی تخمینوں سے سبقت لے جائے گی کیونکہ گندم اور کپاس کی فصل کا بڑا حجم متوقع ہے۔ کووڈ ویکسینیشن کی مہم کافی حد تک کامیاب رہی جس کی بدولت خدمات کے شعبے میں ترقی متوقع ہے کیونکہ وبا سے سب سے زیادہ متاثر یہی شعبہ تھا۔ اشیاء، خصوصاً پٹرولیم، پام تیل، کونلہ،

ڈائریکٹر رپورٹ

اسباب اشیائے خوردونوش کی بلندتر قیمتیں، توانائی (بجلی اور ایندھن) کی بڑھی ہوئی لاگتیں، اور پاکستانی روپے کی قدر میں کمی کا دوسرا دور ہیں، جس سے درآمد شدہ اشیاء کی قیمتیں بلند رہتی ہیں۔

بنیادی افراط زر، جس کی پیمائش اشیائے خوردونوش اور توانائی کے علاوہ کے ذریعے کی جاتی ہے، میں بھی اضافے کا رجحان پایا گیا۔ دسمبر 2021ء میں 8.5 فیصد جبکہ اس کے بالمقابل جون 2021ء میں 6.9 فیصد۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی شرح میں مجموعی طور پر 275bps اضافہ کر کے اسے اس ششماہی میں 9.75 فیصد کر دیا تاکہ افراط زر کے دباؤ اور سست رفتار مجموعی طلب کا مقابلہ کیا جاسکے۔

مالیاتی جہت میں فیڈرل بورڈ آف ریونیو (ایف بی آر) کی ٹیکس وصولی مالی سال 2022ء کے نصف اول میں 32.5 فیصد بڑھ کر 2,920 بلین روپے ہو گئی جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت کے دوران 2,204 بلین روپے تھی۔ یہ 2,633 بلین کے ہدف سے 287 بلین روپے زیادہ ہے۔ ٹیکس وصولی میں اضافے کا بنیادی سبب درآمدات میں اضافے کی بدولت زیادہ کسٹم ڈیوٹی اور سیلز ٹیکس کی وصولی ہے۔

ثانوی مارکیٹس کے منافع جات میں اس ششماہی میں قابل ذکر اضافہ ہوا ہے کیونکہ ایس بی پی نے مالیاتی سختی کا دورہ شروع کر دیا ہے۔ روپے کی قدر میں حالیہ کمی بمع اشیاء کی بلند قیمتوں سے افراط زر پر دباؤ میں اضافہ ہوگا اور ہمیں توقع ہے کہ مالی سال 2022ء کی اوسط افراط زر ایس بی پی کی پیش گوئی کردہ 9 سے 11 فیصد کی حد سے زیادہ یعنی 11.7 فیصد ہوگی۔ تین سالہ، پانچ سالہ اور دس سالہ بانڈز کے منافع جات میں دوران مدت بالترتیب 1.7 فیصد، 1.5 فیصد اور 1.2 فیصد اضافہ ہوا۔

ایکویٹی مارکیٹ کا جائزہ

کراچی اسٹاک ایکسچینج (کے ایس ای) 100 انڈیکس نے مالی سال 2022ء کے نصف اول میں 5.8 فیصد منفی منافع (2,760 پوائنٹس کمی) پوسٹ کیا جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 27.1 فیصد مثبت منافع ہوا تھا۔ وسیع عناصر میں مشکلات (شرح سود میں اضافہ، روپے کی قدر میں کمی اور پھیلتے ہوئے جڑواں خسارے)، بڑھتی ہوئی اشیاء کی قیمتیں، اور MSCI کا پاکستان کی درجہ بندی کو امر جنگ مارکیٹ سے کم کر کے فرنٹیئر مارکیٹ کرنے کا فیصلہ، ان تمام عوامل نے انڈیکس پر دباؤ ڈالا۔

سیمنٹ، ریفرنسری، اور تیل اور گیس کی مارکیٹنگ کی کمپنیاں وہ اہم شعبہ جات تھے جنہوں نے انڈیکس کو بالترتیب 1,096 پوائنٹس، 370 پوائنٹس اور 339 پوائنٹس متاثر کیا۔ کونسل کی بین الاقوامی قیمتوں میں بے نظیر اضافے (250 ڈالر فی ٹن سے بڑھ کر گزشتہ سال اوسطاً 64.5 ڈالر فی ٹن) نے سیمنٹ کے شعبے کی قریب المیعا درآمدیوں کی صورتحال کو کمزور کیا جس کے نتیجے میں فروخت کا دباؤ پیدا ہوا۔ علاوہ ازیں، ریفرنسریوں اور آئل مارکیٹنگ کمپنیوں میں انحطاط کی بڑی وجہ بالترتیب ریفرنسری کی پالیسیوں کی منظوری میں تاخیر اور

بورڈ آف ڈائریکٹرز کی جانب سے ایم سی بی پاکستان اسٹاک مارکیٹ فنڈ کے اکاؤنٹس برائے نصف اول مختتمہ 31 دسمبر 2021ء کا جائزہ پیش خدمت ہے۔

معیشت اور بازار کا جائزہ

ترقی کی بحالی پر حکومت کی تجدید شدہ توجہ کے باعث مالی سال کا خوش آئند آغاز جسکی وجہ نئے وزیر خزانہ کا مالی سال 2022ء کے بجٹ میں متعدد ترقیاتی ترغیبات کا اعلان کرنا ہے۔ یہ پیش رفت مالیاتی تسہیل (کووڈ لاک ڈاؤن کے آغاز سے اب تک 6.25 فیصد کمی) کی سست اثر پذیری، پست افراط زر، اور کم شرحوں پر کیپیٹل کی سرمایہ کاری (TERF) پر مستزاد تھی جس کی بدولت ترقی کو مزید تحریک حاصل ہوئی۔ تاہم مقامی طلب میں ٹینڈ بحالی بمع اشیاء کی بڑھتی ہوئی بین الاقوامی قیمتوں کے نتیجے میں درآمدات میں بھرپور اضافہ اور کرنٹ اکاؤنٹ خسارے میں متناسب اضافہ ہوا۔ خسارے میں اضافے کا اثر شرح زرمبادلہ پر بھی ظاہر ہوا اور مالی سال مختتمہ جون 2022ء کے نصف اول کے دوران روپیہ ڈالر کے مقابلے میں 10.4 فیصد گر گیا۔

مالی سال 2022ء کے نصف اول میں ملک کا کرنٹ اکاؤنٹ خسارہ (سی اے ڈی) 9.1 بلین ڈالر تھا جبکہ اس کے بالمقابل گزشتہ سال کی مماثل مدت میں 1.3 بلین ڈالر سرپلس تھا۔ یہ مالی سال 2018ء سے لے کر اب تک کا سب سے زیادہ سی اے ڈی تھا، یعنی مالی سال کے نصف اول میں 8.7 بلین ڈالر کا خسارہ۔ اس کا بنیادی سبب درآمدات میں اضافہ تھا جو مالی سال 2022ء کے نصف اول میں 56.9 فیصد تھا جبکہ اس کے بالمقابل برآمدات میں اضافہ 29.0 فیصد تھا۔ تجارتی خسارہ 86.0 فیصد بڑھ کر 21.2 بلین ڈالر ہو گیا جبکہ اس کے بالمقابل گزشتہ سال مماثل مدت میں 11.4 بلین ڈالر تھا۔ درآمدات میں بے نظیر اضافے کا سبب ہماری اشیاء کی basket کی historic بلند قیمتیں ہے جس میں خام تیل، palm تیل، کوئلہ اور اس کے ساتھ ویکسین کی یکبار درآمدات شامل ہیں۔ ہمارے تخمینوں کے مطابق درآمداتی بل میں اضافے کا دو تہائی سے زیادہ حصہ قیمتوں پر مشتمل ہے۔

مرکزی بینک کے زرمبادلہ کے ذخائر میں 0.4 بلین ڈالر اضافہ ہوا کیونکہ پاکستان کو انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) کے نئے 'ایس ڈی آر' اختصاص کے تحت 2.75 بلین ڈالر اور سعودی عرب کے طرف سے 3 بلین ڈالر برائے reserve معاونت موصول ہوئے۔ یہ وصولیاں کرنٹ اکاؤنٹ کے خطیر خسارے اور واجبات الاداء کے باوجود زرمبادلہ کے ذخائر میں استحکام لانے میں معاون ثابت ہوئیں۔

افراط زر کا مسئلہ برقرار رہا کیونکہ بڑھتی ہوئی اشیاء نے پالیسی سازوں کے لیے مشکلات پیدا کرنے کا سلسلہ جاری رکھا۔ ہیڈ لائن افراط زر، جس کی ترجمانی کنزیومر پرائس انڈیکس (سی پی آئی) یعنی صارفی قیمت کے انڈیکس سے ہوتی ہے، کا اوسط مالی سال 2022ء کے نصف اول میں 9.8 فیصد تھا جبکہ اس کے بالمقابل مالی سال 2021ء کے نصف اول میں 8.6 فیصد تھا۔ اس اضافے کے بنیادی

TRUSTEE REPORT TO THE UNIT HOLDERS

CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

MCB PAKISTAN STOCK MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We Central Depository Company of Pakistan Limited, being the Trustee of MCB Pakistan Stock Market Fund (the Fund) are of the opinion that MCB-Arif Habib Savings and Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2021 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: February 22, 2022



AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' REVIEW REPORT

To the Unit holders of MCB Pakistan Stock Market Fund

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim Statement of Assets and Liabilities of MCB Pakistan Stock Market Fund (the Fund) as at 31 December 2021, and the related condensed interim Income Statement, condensed interim Statement of Comprehensive Income, condensed interim Statement of Movement in Unit Holders' Fund and condensed interim Cash Flow Statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management Company is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

A member firm of Ernst & Young Global Limited

AUDITOR'S REPORT TO THE UNIT HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS



~: 2 :-

The engagement partner on the review resulting in this independent auditors' review report is Shaikh Ahmed Salman.

Chartered Accountants

Date: 24 February 2022

Karachi

A member firm of Ernst & Young Global Limited

CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
ASSETS			
Balances with banks	4	379,415	265,332
Investments	5	10,996,934	11,903,844
Receivable against sale of investments		181,228	499,859
Dividend and profit receivables		2,290	16,830
Advances, deposits and other receivables		19,849	74,522
Total assets		11,579,716	12,760,387
LIABILITIES			
Payable to Management Company		60,244	63,617
Payable to Trustee		1,163	1,258
Payable to the Securities and Exchange Commission of Pakistan	6	1,212	2,286
Payable against purchase of investments		134,326	24,138
Accrued expenses and other liabilities	7	78,343	202,766
Payable against redemption of units		386	69,140
Total liabilities		275,674	363,204
NET ASSETS		11,304,042	12,397,182
Unit holders' fund (as per statement attached)		11,304,042	12,397,182
Contingencies and Commitments	8		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE		114,119,369	119,629,978
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		99.0545	103.6294

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half year ended		Quarter ended	
		December 31,		December 31,	
		2021	2020	2021	2020
----- (Rupees in '000) -----					
INCOME					
Financial Income on					
- Government securities		279	1,380	279	193
- Bank Balances		15,332	8,803	7,131	2,863
Dividend income		369,818	136,970	194,000	109,937
(Loss) / gain on sale of investments - net		(383,233)	1,101,358	(358,027)	646,662
Unrealised (loss) / gain on revaluation of investments classified as 'at fair value through profit or loss' - net	5.1	(385,337)	1,468,199	428,497	232,555
Other income		64	57	33	34
Total income		(383,077)	2,716,767	271,913	992,244
EXPENSES					
Remuneration of the Management Company		121,175	111,315	58,295	57,260
Sindh Sales Tax on remuneration of the Management Company		15,753	14,471	7,579	7,444
Remuneration of the Trustee		6,563	6,071	3,167	3,116
Sindh Sales Tax on remuneration of the Trustee		853	789	412	405
Annual fee of the Securities and Exchange Commission of Pakistan		1,212	1,113	583	572
Allocated expenses	9	6,059	5,566	2,915	2,863
Selling and marketing expenses	10	78,763	72,354	37,891	37,218
Auditors' remuneration		616	444	349	198
Securities transaction cost		27,389	41,525	13,029	21,044
Settlement and bank charges		2,022	1,980	975	1,060
Legal and professional charges		471	68	36	34
Fees and subscriptions		14	26	7	19
(Reversal) / provision for Sindh Workers' Welfare Fund		(120,605)	49,221	-	17,220
Total expenses		140,285	304,943	125,238	148,453
Net (loss) / income for the period before taxation		(523,362)	2,411,824	146,675	843,792
Taxation	11	-	-	-	-
Net (loss) / income for the period		(523,362)	2,411,824	146,675	843,792
Earnings per unit	12				
Allocation of net income for the period after taxation					
Net (loss) / income for the period		(523,362)	2,411,824		
Income already paid on units redeemed		-	(236,862)		
		(523,362)	2,174,962		
Accounting income available for distribution:					
- Relating to capital gains		-	2,174,962		
- Excluding capital gains		-	-		
		-	2,174,962		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.


For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021**

	<u>Half year ended</u> <u>December 31,</u>		<u>Quarter ended</u> <u>December 31,</u>	
	2021	2020	2021	2020
	----- (Rupees in '000) -----			
Net (loss) / income for the period	(523,362)	2,411,824	146,675	843,792
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(523,362)</u>	<u>2,411,824</u>	<u>146,675</u>	<u>843,792</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021			Half year ended December 31, 2020		
	Capital Value	Undistributed income	Total	Capital Value	Undistributed income	Total
(Rupees in '000)						
Net assets at the beginning of the period	7,165,600	5,231,582	12,397,182	5,894,800	2,909,097	8,803,897
Issuance of 27,833,930 (2020: 58,977,573) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.103.6294	2,884,414	-	2,884,414	4,566,224	-	4,566,224
- Element of (loss) / income	(54,055)	-	(54,055)	763,234	-	763,234
	2,830,359	-	2,830,359	5,329,458	-	5,329,458
Redemption of 33,344,540 (2020: 51,562,420) units:						
- Capital value (at net asset value per unit at the beginning of the period) at Rs.103.6294	3,455,475	-	3,455,475	3,992,120	-	3,992,120
- Element of (loss) / income	(55,338)	-	(55,338)	918,196	(236,862)	681,334
	3,400,137	-	3,400,137	4,910,316	(236,862)	4,673,454
Total comprehensive (loss) / income for the period	-	(523,362)	(523,362)	-	2,411,824	2,411,824
Distributions during the period	-	-	-	-	-	-
Net (loss) / income for the period less distribution	-	(523,362)	(523,362)	-	2,411,824	2,411,824
Net assets as at the end of the period	6,595,822	4,708,220	11,304,042	6,313,942	5,084,059	11,871,725
Undistributed income brought forward comprising of:						
- Realised	4,508,639			3,417,678		
- Unrealised	722,943			(508,581)		
	5,231,582			2,909,097		
Accounting income available for distribution:						
- Relating to capital gains	-			2,174,962		
- Excluding capital gains	-			-		
	-			2,174,962		
Net loss for the period		(523,362)			-	
Undistributed income carried forward		4,708,220			5,084,059	
Undistributed income carried forward comprising of:						
- Realised	5,093,557			3,615,860		
- Unrealised	(385,337)			1,468,199		
	4,708,220			5,084,059		
	(Rupees)			(Rupees)		
Net assets value per unit as at beginning of the period	103.6294			77.4230		
Net assets value per unit as at end of the period	99.0545			98.0108		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended	
	December 31,	
	2021	2020
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the period before taxation	(523,362)	2,411,824
Adjustments for non cash and other items:		
Financial income on bank balances	(15,332)	(8,803)
Dividend Income	(369,818)	(136,970)
(Reversal) / provision for Sindh Workers' Welfare Fund	(120,605)	49,221
Loss / (gain) on sale of investments - net	383,233	(1,101,358)
Unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss' - net	385,337	(1,468,199)
	(260,547)	(254,285)
Decrease / (increase) in assets		
Investments - net	138,340	(656,262)
Receivable against sale of investments	318,631	(87,124)
Advances, deposits and receivables	54,673	(52,039)
	511,644	(795,425)
(Decrease) / increase in liabilities		
Payable to Management Company	(3,373)	16,107
Payable to Trustee	(95)	323
Payable to the Securities and Exchange Commission of Pakistan	(1,074)	(657)
Payable against purchase of investments	110,188	36,363
Accrued expenses and other liabilities	(3,818)	15,607
Payable against redemption of units	(68,754)	-
	33,074	67,743
Financial income received on bank balances	14,295	9,740
Dividend received	385,395	141,126
Net cash generated from / (used) in operating activities	683,861	(831,101)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issuance of units	2,830,359	5,329,458
Amount paid on redemption of units	(3,400,137)	(4,673,454)
Net cash (used) in / generated from financing activities	(569,778)	656,004
Net increase / (decrease) in cash and cash equivalents during the period	114,083	(175,097)
Cash and cash equivalents at the beginning of the period	265,332	351,866
Cash and cash equivalents at the end of the period	379,415	176,769

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 MCB Pakistan Stock Market Fund (the Fund) was established under a Trust Deed executed between MCB-Arif Habib Savings and Investments Limited as "Management Company" and Central Depository Company of Pakistan Limited (CDC) as Trustee. The Trust Deed was executed on October 23, 2001 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on February 28, 2002 in accordance with the Asset Management Companies Rules, 1995 (AMC Rules) repealed by Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules). The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 12, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 2nd Floor, Adamjee House, I.I. Chundrigar Road, Karachi, Pakistan.
- 1.3 The Fund has been categorised as equity scheme and offers units for public subscription on a continuous basis. The units of the Fund are transferable and can also be redeemed by surrendering them to the Fund. The units are listed on the Pakistan Stock Exchange. The Fund primarily invests in listed equity securities. However, it also invests in cash instruments and treasury bills not exceeding 90 days in maturities.
- 1.4 The Pakistan Credit Rating Agency (PACRA) Limited has assigned Management quality rating of 'AM1' dated October 06, 2021 to the Management Company.
- 1.5 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited (CDC) as the Trustee of the Fund.

2. BASIS OF PREPARATION

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:
 - International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984;
 - The NBFC rules, the Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of Trust Deed of Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from IAS 34 Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.
- 2.2 The disclosures made in these condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the published audited financial statements of the Fund for the year ended June 30, 2021.
- 2.3 In compliance with schedule V of the NBFC Regulations, the Directors of the Management Company, hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at December 31, 2021.
- 2.4 These condensed interim financial statements are presented in Pakistani Rupee, which is the functional and presentation currency of the Fund.

3. ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies applied in the preparation of these condensed interim financial information are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2021.

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

3.2 New / Revised Standards, Interpretations and Amendments

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Fund's accounting periods beginning on or after July 01, 2021 but are considered not to be relevant or do not have any significant effect on the Fund's operations and therefore not detailed in these condensed interim financial statements.

3.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards, interpretations and amendments	Effective date
Property, Plant and Equipment: Proceeds before Intended Use – - Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Classification of liabilities as current or non-current - Amendment to IAS 1	01 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized
Definition of Accounting Estimates - Amendments to IAS 8	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	01 January 2023
IFRS 17 - Insurance Contracts	01 January 2023
IFRS 3 - Reference to the Conceptual Framework (Amendments)	01 January , 2022
IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	01 January , 2022

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 1 - First-time Adoption of International Financial Reporting Standards	01 July 2009

The above standards and amendments are not expected to have any material impact on the Fund's condensed interim financial statements in the period of initial application.

3.4 The Fund's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements of the Fund as at and for the year ended June 30, 2021.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
4. BALANCES WITH BANKS	Note	----- (Rupees in '000) -----	
In current accounts	4.1	15,644	21,217
In savings accounts	4.2	363,771	244,115
		<u>379,415</u>	<u>265,332</u>

4.1 These include a balance of Rs.6.195 (June 30, 2021: Rs.11.768) million maintained with MCB Bank Limited, a related party.

4.2 These carry profits at the rates ranging from 7.25% to 10.45% (June 30, 2021: 5.50% to 7.83%) per annum and include Rs.39.873 (June 30, 2021: Rs.207.336) million maintained with MCB Bank Limited, a related party which carries profit at the rate of 7.25% (June 30, 2021: 5.50%) per annum.

5. INVESTMENTS

At fair value through profit or loss

Listed equity securities	5.1	10,996,934	11,903,844
Government securities	5.2	-	-
		<u>10,996,934</u>	<u>11,903,844</u>

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

5.1 Listed equity securities - at fair value through profit or loss

Name of the investee company	No. of shares					Balance as at December 31, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2021	Carrying Value	Market value as at December 31, 2021	Unrealised gain / (loss)		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise										
Automobile assembler										
Ghandhara Nissan Limited	-	226,600	-	226,600	-	-	-	-	0.00%	0.00%
Honda Atlas Cars Limited	486,300	95,000	-	363,700	217,600	65,455	51,523	(13,932)	0.46%	0.15%
Indus Motors Company Limited	179,790	-	-	179,790	-	-	-	-	0.00%	0.00%
Millat Tractors Limited	90,000	-	-	90,000	-	-	-	-	0.00%	0.00%
Pak Suzuki Motors Company Limited	265,000	611,300	-	561,600	314,700	92,179	73,407	(18,772)	0.65%	0.38%
						157,634	124,930	(32,704)	1.11%	0.53%
Automobile parts and accessories										
Ghandhara Tyre & Rubber Company Limited	-	938,000	-	-	938,000	51,245	43,486	(7,759)	0.38%	0.77%
Panther Tyres Limited	2,065,504	504,500	230,000	2,007,504	792,500	37,144	33,095	(4,049)	0.29%	0.47%
Thal Limited *	633,300	-	-	255,500	377,800	159,726	144,580	(15,146)	1.28%	0.47%
						248,115	221,161	(26,954)	1.96%	1.71%
Cable and electrical goods										
Pak Elektron Limited	-	6,122,000	-	924,000	5,198,000	143,736	117,059	(26,677)	1.04%	1.04%
Cement										
Bestway Cement Limited	-	661,100	-	279,200	381,900	57,997	58,988	992	0.52%	0.06%
Cherat Cement Company Limited	48,000	3,080,600	-	1,040,600	2,088,000	312,414	309,671	(2,743)	2.74%	1.07%
D.G. Khan Cement Company Limited	1,851,480	3,446,576	-	1,386,840	3,911,216	357,493	324,396	(33,097)	2.87%	0.89%
Fauji Cement Company Limited	-	12,693,500	-	3,243,500	9,450,000	197,825	173,597	(24,229)	1.54%	0.68%
Kohat Cement Limited	1,583,670	100,000	-	975,700	707,970	144,869	133,523	(11,346)	1.18%	0.35%
Lucky Cement Limited	946,003	285,000	-	406,003	825,000	671,858	560,406	(111,452)	4.96%	0.26%
Maple Leaf Cement Factory Limited	9,075,771	4,401,353	-	5,257,057	8,220,067	358,243	295,511	(62,731)	2.61%	0.75%
Pioneer Cement Limited	2,502,000	2,695,400	-	3,027,000	2,170,400	178,513	192,623	14,110	1.70%	0.96%
Power Cement Limited	7,193,000	-	-	7,193,000	-	-	-	-	0.00%	0.00%
						2,279,212	2,048,716	(230,496)	18.12%	5.02%
Chemical										
Archroma Pakistan Limited	113,850	82,350	-	85,650	110,550	62,254	57,507	(4,747)	0.51%	0.32%
Dynea Pakistan Limited *	-	3,800	-	3,800	-	-	-	-	0.00%	0.00%
Engro Polymer and Chemicals Limited	4,999,655	1,087,000	-	4,281,655	1,805,000	91,332	97,849	6,517	0.87%	0.20%
ICI Pakistan Limited	-	45,100	-	-	45,100	34,629	34,314	(315)	0.30%	0.05%
Lotte Chemical Pakistan Limited	8,650,000	1,276,500	-	6,185,500	3,741,000	57,139	51,102	(6,036)	0.45%	0.25%
Sitara Chemical Industries	-	54,000	-	54,000	-	-	-	-	0.00%	0.00%
						245,353	240,772	(4,581)	2.13%	0.82%
Commercial banks										
Allied Bank Limited	62,100	500,000	-	562,100	-	-	-	-	0.00%	0.00%
Bank Al Falah Limited	6,586,952	4,977,309	-	1,326,914	10,237,347	326,883	354,212	27,330	3.13%	0.58%
Bank Al Habib Limited	4,268,538	992,990	-	5,261,528	-	-	-	-	0.00%	0.00%
Faysal Bank Limited	-	9,969,500	-	-	9,969,500	220,219	229,299	9,079	2.03%	0.66%
Habib Bank Limited	4,148,266	3,182,727	-	410,000	6,920,993	839,050	807,126	(31,924)	7.14%	0.47%
Habib Metropolitan Bank Limited	1,842,500	3,517,000	-	200,000	5,159,500	217,308	220,981	3,674	1.95%	0.49%
MCB Bank Limited	-	1,237,259	-	1,000,000	237,259	36,560	36,384	(177)	0.32%	0.02%
Meezan Bank Limited	2,959,978	200,000	414,214	348,545	3,225,647	330,902	432,592	101,689	3.83%	0.20%

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

Name of the investee company	No. of shares				Balance as at December 31, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2021	Carrying Value	Market value as at December 31, 2021		
							Unrealised gain / (loss)		(%)
Shares of listed companies - fully paid ordinary shares of Rs. 10 each unless stated otherwise									
Samba Bank Limited	5,215,500	-	-	5,215,500	-	-	-	0.00%	0.00%
The Bank Of Punjab Limited	-	820,000	-	820,000	-	-	-	0.00%	0.00%
United Bank Limited	5,044,022	2,188,415	-	3,152,437	4,080,000	503,930	53,317	4.93%	0.33%
						2,474,852	162,988	23.34%	2.75%
Engineering									
Agha Steel Ind. Ltd	-	2,998,500	64,350	1,068,000	1,994,850	54,458	(2,253)	0.46%	0.33%
Aisha Steel Limited	4,389,000	6,086,000	-	4,311,500	6,163,500	101,390	(8,568)	0.82%	0.74%
Amreli Steel	-	4,498,500	-	250,000	4,248,500	179,214	10,949	1.68%	1.43%
International Industries Limited	612,700	89,800	-	362,500	340,000	68,977	(21,782)	0.42%	0.26%
International Steels Limited	-	267,731	-	30,000	237,731	15,916	(197)	0.14%	0.05%
Mughal Iron & Steel Industries Limited	-	972,200	82,500	-	1,054,700	102,317	7,488	0.97%	0.31%
						522,271	(14,362)	4.49%	3.12%
Fertilizer									
Engro Corporation Limited	982,598	543,011	-	222,878	1,302,731	384,698	(29,808)	3.14%	0.23%
Engro Fertilizer Limited	-	825,000	-	250,000	575,000	41,429	2,323	0.39%	0.04%
Fauji Fertilizer Bin Qasim Limited	6,848,000	4,870,500	-	7,680,500	4,038,000	97,545	2,516	0.89%	0.31%
						523,672	(24,968)	4.41%	0.58%
Food and personal care products									
Al Shaheer Corporation Limited	5,223,000	1,627,000	-	2,855,000	3,995,000	74,061	(20,208)	0.48%	1.33%
Fauji Foods Limited	3,055,500	-	-	3,055,500	-	-	-	0.00%	0.00%
Murree Brewery Company	202,000	-	-	7,150	194,850	113,364	(16,496)	0.86%	0.70%
Nestle Pakistan Limited	3,033	-	-	3,020	13	75	(1)	0.00%	0.00%
The Organic Meat Company Limited	3,488,000	945,000	189,500	2,388,000	2,234,500	73,253	(2,352)	0.63%	1.82%
Unity Foods Limited	-	760,000	-	760,000	-	-	-	0.00%	0.00%
						260,753	(39,058)	1.96%	3.85%
Glass and ceramics									
Shabbir Tiles & Ceramics Limited *	542,500	450,000	-	196,000	796,500	21,593	(3,003)	0.16%	0.24%
Tariq Glass Industries Limited	-	907,500	-	-	907,500	94,015	4,467	0.87%	0.66%
						115,608	1,464	1.04%	0.90%
Insurance									
Adamjee Insurance Co. Limited	1,034,500	65,000	-	1,099,500	-	-	-	0.00%	0.00%
Jubilee Life Insurance Company Limited	-	153,100	-	-	153,100	43,735	(10,665)	0.29%	0.18%
						43,735	(10,665)	0.29%	0.18%
Inv Bank/Inv Company/Securities Cos									
Arif Habib Limited	68,000	-	-	68,000	-	-	-	0.00%	0.00%
Leather and tanneries									
Bata Pakistan Limited	4,040	34,080	-	-	38,120	65,221	17,544	0.73%	0.50%
Service Global Footware Limited	36	60,500	-	60,536	-	-	-	0.00%	0.00%
Service Industries Limited	403	55,200	-	45,300	10,303	4,690	137	0.04%	0.02%
						69,911	17,681	0.77%	0.52%
Miscellaneous									
Pakistan Aluminum Beverage Cans Limited	-	215,000	-	215,000	-	-	-	0.00%	0.00%
Shifa International Hospitals Limited	329,600	979,600	20,860	-	1,330,060	267,459	(15,506)	2.23%	2.10%
Synthetic Products Limited	-	1,508,000	58,000	932,500	633,500	11,938	(504)	0.10%	0.32%

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Name of the investee company	No. of shares				Balance as at December 31, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2021	Carrying Value	Market value as at December 31, 2021		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Tri-Pak Films	781,000	-	-	781,000	-	279,398	263,388	(16,010)	0.00%
Oil and gas exploration companies									
Marl Petroleum Company Limited	388,960	71,940	-	16,000	444,900	690,338	735,967	45,628	0.33%
Oil & Gas Development Company Limited	5,139,277	-	-	2,179,011	2,960,266	281,314	255,175	(26,139)	0.07%
Pakistan Oilfields Limited	652,561	93,500	-	177,567	568,494	223,701	203,305	(20,396)	0.20%
Pakistan Petroleum Limited	3,734,120	-	-	1,909,120	1,825,000	158,465	144,248	(14,217)	0.07%
						1,353,818	1,338,695	(15,123)	0.67%
Oil and gas marketing companies									
Attock Petroleum Limited	620,700	-	-	75,000	545,700	175,186	171,350	(3,836)	0.55%
Hi-Tech Lubricants Limited	-	735,000	59,000	295,000	499,000	21,714	21,707	(7)	0.36%
Pakistan State Oil Company limited	1,586,305	-	-	1,182,783	403,522	90,490	73,397	(17,093)	0.09%
Shell Pakistan Limited	701,500	237,800	-	558,800	380,500	58,135	46,113	(12,023)	0.18%
Sui Northern Gas Pipelines Limited	1,150,244	1,570,897	-	1,221,141	1,500,000	70,481	50,175	(20,306)	0.24%
						416,006	362,741	(53,266)	1.42%
Paper and Board									
Cherat Packaging Limited	-	144,000	-	53,800	90,200	17,825	12,552	(5,272)	0.21%
Packages Limited	581,400	84,000	-	155,500	509,900	272,755	253,558	(19,197)	0.21%
Security Papers Limited	-	338,200	-	-	338,200	46,015	40,547	(5,469)	0.57%
						336,594	306,657	(29,937)	1.35%
Pharmaceuticals									
Abbott Laboratories (Pakistan) Limited	376,450	-	-	348,650	27,800	22,028	19,947	(2,081)	0.18%
Agp Limited	-	128,900	-	128,900	-	-	-	-	0.00%
Citi Pharma limited	-	591,500	-	-	591,500	18,778	21,152	2,374	0.19%
Glaxosmithkline Consumer Healthcare Pakistan	-	207,700	-	7,700	200,000	50,146	48,212	(1,934)	0.43%
Glaxosmithkline Pakistan	-	307,400	-	307,400	-	-	-	-	0.00%
Highnoon Laborites Limited	135,200	-	-	20,000	115,200	69,120	72,328	3,208	0.64%
The Searle Company Limited	458,000	956,720	-	573,720	841,000	120,165	120,869	703	1.07%
						280,237	282,508	2,271	2.50%
Power generation and distribution									
Altern Energy Limited	327,000	-	-	327,000	-	-	-	-	0.00%
Hub Power Company Limited	5,148,540	-	-	1,198,076	3,950,464	314,733	281,826	(32,907)	0.30%
K-Electric Limited ***	22,488,000	-	-	22,488,000	-	-	-	-	0.00%
Lalpur Power Limited	7,202,500	-	-	5,969,000	1,233,500	22,030	17,405	(4,626)	0.15%
Nishat Power Limited	969,000	700,000	-	-	1,669,000	33,800	33,180	(621)	0.47%
						370,564	332,411	(38,154)	1.10%
Refinery									
Attock Refinery Limited	481,400	230,439	-	711,839	-	-	-	-	0.00%
Energycio PK Limited	-	7,000,000	-	4,000,000	3,000,000	28,380	20,430	(7,950)	0.18%
National Refinery Limited	105,000	-	-	105,000	-	-	-	-	0.00%
Pakistan Refinery Limited	2,463,500	-	-	2,463,500	-	-	-	-	0.00%
						28,380	20,430	(7,950)	0.18%

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Name of the investee company	No. of shares				Balance as at December 31, 2021			Market value as a % of net assets of the Fund	% of paid-up capital of the investee company
	As at July 01, 2021	Purchased during the period	Bonus / right issue during the period	Sold during the period	As at December 31, 2021	Carrying Value	Market value as at December 31, 2021		
							Unrealised gain / (loss)		
Shares of listed companies - fully paid ordinary shares of Rs.10 each unless stated otherwise									
Technology and communication									
Air Link Communication Ltd	-	1,655,000	-	-	1,655,000	104,990	96,089	(8,901)	0.85%
Avanaceon Limited	-	935,000	-	935,000	-	-	-	-	0.00%
Hum Network Limited **	-	2,500,000	-	2,500,000	-	-	-	-	0.00%
Octopus Digital Limited	-	734,799	-	50,000	684,799	44,844	53,250	8,406	0.47%
Pakistan Telecommunication Company Limited	-	3,729,500	-	1,000,000	2,729,500	32,657	23,747	(8,910)	0.21%
Systems Limited	250,000	87,687	-	29,626	308,061	183,055	234,077	51,022	2.07%
Trg Pakistan	500,000	2,865,000	-	2,765,000	600,000	61,857	70,740	8,883	0.63%
						427,403	477,903	50,500	4.23%
Textile composite									
Azgard Nine Limited	-	500,000	-	500,000	-	-	-	-	0.00%
Gul Ahmed Textile Mills Limited	2,780,256	2,451,500	-	1,619,500	3,612,256	189,874	169,993	(19,881)	1.50%
Interloop Limited	2,808,110	1,227,463	-	1,817,110	2,218,463	150,678	161,260	10,582	1.43%
Kohinoor Textile Mills Limited	1,375,718	493,000	-	-	1,868,718	136,797	129,726	(7,071)	1.15%
Nishat (Chuian) Limited	-	5,456,500	-	1,020,000	4,436,500	210,857	202,083	(8,775)	1.79%
Nishat Mills Limited	-	857,500	-	325,000	532,500	42,896	42,376	(519)	0.37%
						731,102	705,438	(25,664)	6.24%
Textile Spinning									
Gadoon Textile	-	2,000	-	-	2,000	540	570	30	0.01%
Transport									
Pakistan International Bulk Terminal Limited	-	6,749,500	-	-	6,749,500	73,377	49,676	(23,701)	0.44%
						73,377	49,676	(23,701)	0.44%
Total as at December 31, 2021 (Un-audited)									
Total as at June 30, 2021 (Audited)						11,382,271	10,996,934	(385,337)	
						11,180,903	11,903,844	722,943	
* These have a face value of Rs.5 per share. ** These have a face value of Rs.1 per share. *** These have a face value of Rs.3.5 per share.									
5.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) security against settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:									
	(Un-audited) December 31, 2021				(Audited) June 30, 2021				(Audited) June 30, 2021
	----- (Rupees in '000) -----				----- (Rupees in '000) -----				
The Hub Power Company Limited	2,000,000				2,000,000				159,340
Oil & Gas Development Company Limited	1,000,000				1,000,000				95,030
	3,000,000				3,000,000				254,370

5.1.2 There is no change in the status of matter related to bonus shares as reported in note 6.1.2 to the annual financial statements of the Fund for the year ended June 30, 2021. As at December 31, 2021, the bonus shares of the Fund withheld by certain companies at the time of declaration of bonus shares amounted to Rs.4.55 million (June 30, 2021: Rs.4.59 million).

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

5.2 Government securities - at fair value through profit or loss

Name of security	Issue date	Face value				Balances as at December 31, 2021		
		As at July 01, 2021	Purchased during the period	Sold / matured during the period	As at December 31, 2021	Carrying Value	Market Value	Unrealised gain / (loss)
----- (Rupees in '000) -----								
Treasury Bills								
Market Treasury Bills - 3 months	2-Jul-2021	-	500,000	500,000	-	-	-	-
	15-Jul-2021	-	500,000	500,000	-	-	-	-
	29-Jul-2021	-	500,000	500,000	-	-	-	-
	12-Aug-2021	-	5,500,000	5,500,000	-	-	-	-
	26-Aug-2021	-	3,500,000	3,500,000	-	-	-	-
	9-Sep-2021	-	6,000,000	6,000,000	-	-	-	-
	23-Sep-2021	-	1,000,000	1,000,000	-	-	-	-
	7-Oct-2021	-	850,000	850,000	-	-	-	-
Market Treasury Bills - 6 months	22-Apr-2021	-	6,000,000	6,000,000	-	-	-	-
Total as at December 31, 2021 (Un-audited)						-	-	-
Total as at June 30, 2021 (Audited)						-	-	-

6. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)

This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.02% (June 30, 2021: 0.02%) of the average daily net assets of the Fund.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	----- (Rupees in '000) -----	
7. ACCRUED EXPENSES AND OTHER LIABILITIES			
Provision for Sindh Workers' Welfare Fund	7.1	-	120,605
Federal Excise Duty payable on management remuneration	7.2	54,774	54,774
Federal Excise Duty payable on sales load		3,933	3,933
Unclaimed dividends		9,722	9,722
Brokerage payable		8,495	9,821
Auditors' remuneration		533	624
Withholding tax payable		316	3,113
Printing and related charges payable		30	40
Payable to legal advisor		536	130
Others		4	5
		78,343	202,766

7.1 Sindh Revenue Board (SRB) through its letter dated August 12, 2021 received on August 13, 2021 has intimated Mutual Funds Association of Pakistan's (MUFAP) that the mutual funds do not qualify as Financial Institutions / Industrial Establishments and are therefore, not liable to pay the Sindh Workers' Welfare Fund (SWWF) contributions. This development was discussed at MUFAP level and was also been taken up with the Securities and Exchange Commission of Pakistan (SECP). All the Asset Management Companies, in consultation with SECP, have reversed the cumulative provision for SWWF recognised in the financial statements of the Funds till August 12, 2021 on August 13, 2021.

SECP has also given its concurrence for recording reversal of provision of SWWF on the day letter was received by MUFAP. This reversal of provision has contributed towards an unusual increase in NAV of the Fund on August 13, 2021. This is one-off event and is not likely to be repeated in the future.

Going forward, no provision for SWWF would be recognised in the financial statements of the Fund.

7.2 There is no change in the status of the appeal filed by the Federal Board of Revenue in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty, as reported in note 12.2 to the annual financial statements of the Fund for the year ended June 30, 2021. Had the provision for FED not been recorded in the condensed interim financial statements of the Fund, the net assets value of the Fund as at December 31, 2021 would have been higher by Re.0.51 (2021: Re.0.49) per unit.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

8. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at the December 31, 2021 (June 30, 2021: Nil).

9. ALLOCATED EXPENSES

During the year, the Management Company has charged actual expenses related to registrar services, accounting, operations and valuation services to the CIS as per SECP vide SRO 639 dated June 20, 2019. Previously the Management Company was entitled to charge expenses related to registrar services, accounting, operations and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.1% of the average annual net assets of the scheme or actual whichever is lower.

10. SELLING AND MARKETING EXPENSES

The Management Company has charged actual expenses to the extent as it has think expedient as per SECP circular 11 dated July 05, 2019.

11. TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded any tax liability in respect of income relating to current period as the Management Company intends to distribute in cash the required minimum percentage of the Fund's accounting income for the period ending June 30, 2022 as reduced by capital gains (whether realised or unrealised) to its unitholders in the form of cash.

12. EARNINGS PER UNIT

Earnings per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Management Company the determination of the same is not practicable.

13. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons of the Fund include the Management Company, other collective investment schemes managed by the Management Company, MCB Bank Limited being the Holding Company of the Management Company, the Trustee, directors, key management personnel and other associated undertakings and connected persons. Connected persons also include any person beneficially owing directly or indirectly 10% or more of the units in the issue / net assets of the Fund.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provision of the NBFC Regulations and constitutive documents of the Fund respectively.

Details of transactions and balances at period end with related parties / connected persons, other than those which have been disclosed elsewhere in these financial statements, are as follows:

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

For the half year ended December 31, 2021 (Un-audited)						
	As at July 01, 2021	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at December 31, 2021	Issued for cash / conversion in transferred	Redeemed / conversion out / transfer out
	----- (Number of units) -----		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
13.1 Unit Holder's Fund	1,415,391	496,770	1,415,391	496,770	50,000	140,830
MCB-Arif Habib Savings and Investments Limited - Management Company						
Group / associated companies / undertakings						
Adamjee Insurance Company Limited - Employees Gratuity Fund	106,179	49,004	155,183	-	5,097	15,322
Adamjee Life Assurance Company Limited - IMF	35,917,385	5,340,247	2,873,582	38,384,050	540,000	293,000
Adamjee Life Assurance Company Limited -NUIL	1,609,457	306,633	1,916,090	166,787	32,000	201,356
Adamjee Life Assurance Company Limited -DGF	-	19,165	-	19,165	2,000	1,898
Adamjee Insurance Company Limited - Employees Provident Fund Trust	428,790	191,296	620,086	44,435	19,899	63,233
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	199,265	-	-	199,265	-	-
Asghari Beg Memorial Trust	40,726	-	3,084	37,642	4,220	300
Nasim beg	836	203	1,039	-	87	101
Syed Savail Meekal Hussain	97,462	-	-	97,462	-	-
Directors And Key Management Personnel	139,320	491,837	622,995	8,162	49,674	63,160
Mandate under discretionary portfolio services	1,986,606	1,212,591	641,579	2,557,619	123,858	65,523
Unit holders holding 10% or more	11,370,827	1,193,252	-	12,564,079	120,480	-
						1,244,529
For the half year ended December 31, 2020 (Un-audited)						
	As at July 01, 2020	Issued for cash / conversion in transferred in	Redeemed / conversion out / transfer out	As at December 31, 2020	Issued for cash / conversion in transferred	Redeemed / conversion out / transfer out
	----- (Number of units) -----		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
MCB-Arif Habib Savings and Investment Limited - Management Company	1,422,539	2,989,179	1,216,676	3,195,042	272,421	110,000
Group / associated companies / undertakings						
Adamjee Insurance Company Limited - Employees Gratuity Fund	24,724	86,518	-	111,242	7,828	-
Adamjee Life Assurance Company Limited - IMF	34,698,988	585,510	-	35,284,498	55,000	-
Adamjee Life Assurance Company Limited -NUIL	3,502,317	54,041	1,062,334	2,494,024	5,000	97,300
Adamjee Insurance Company Limited - Employees Provident Fund Trust	48,978	173,322	-	222,300	15,679	-
D.G. Khan Cement Company Limited - Employees Provident Fund Trust	199,265	-	-	199,265	-	-
Asghari Beg Memorial Trust	41,814	-	1,087	40,727	-	100
Directors And Key Management Personnel	169,139	1,500,118	1,413,235	256,022	136,070	128,824
Mandate under discretionary portfolio services	3,742,021	1,802,801	1,921,708	3,623,114	166,261	171,562
						355,104
						25,093
						3,992
						10,903
						3,458,262
						244,441
						21,788
						19,530
						3,992
						25,093

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	Half year ended December 31,	
	2021	2020
	----- (Rupees in '000) -----	
13.2 Transactions during the period:		
MCB - Arif Habib Savings and Investments Limited - Management Company		
Remuneration of the Management Company including indirect taxes	136,928	111,315
Marketing and Selling expense	78,763	72,354
Allocated Expenses	6,059	5,566
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including indirect taxes)	7,416	6,860
Central Depository Service charges	779	709
Arif Habib Capital Limited - Brokerage House		
Brokerage expense*	1,419	2,118
Arif Habib Limited		
Sale of 68,000 (2020: Nil) shares	6,121	-
MCB Bank Limited		
Bank charges	66	76
Dividend income	4	-
Profit on balances with banks	11,846	4,842
Purchase of 1,237,259 (2020: 1,969,357) shares	195,869	340,759
Sale of 1,000,000 (2020: 3,544,634) shares	165,071	629,482
D.G. Khan Cement Company Limited		
Dividend Income	1,888	-
Purchase of 3,446,576 (2020: 3,838,000) shares	299,209	401,200
Sale of 1,386,840 (2020: 3,838,000) shares	154,159	417,649
Nishat Mills Limited		
Dividend Income	398	5,844
Purchase of 857,500 (2020: 2,131,000) shares	75,191	208,947
Sale of 325,000 (2020: 1,708,500) shares	28,224	172,034
Fatima Fertilizer Company Limited		
Sale of Nil (2020: 4,141,500) shares	-	117,015
Adamjee Insurance Company Limited		
Dividend Income	1,552	4,694
Purchase of 65,000 (2020: Nil) shares	2,146	-
Sale of 1,099,500 (2020: 973,500) shares	41,040	36,880
Aisha Steel Mills Limited		
Dividend Income	3,700	-
Purchase of 6,086,000 (2020: 15,523,500) shares	94,694	215,155
Sale of 4,311,500 (2020: 8,917,000) shares	95,146	162,805
Power Cement Limited		
Purchase of Nil (2020: 3,454,000) shares	-	35,356
Sale of 7,193,000 (2020: 1,909,500) shares	63,266	18,725
Lalpir Power Limited		
Dividend Income	7,191	13,267
Purchase of Nil (2020: 7,200,000) shares	-	95,200
Sale of 5,969,000 (2020: 3,265,500) shares	93,074	40,488
Nishat Chunian Limited		
Dividend Income	16,565	-
Purchase of 5,456,500 (2020: Nil) shares	259,335	-
Sale of 1,020,000 (2020: Nil) shares	47,939	-
Nishat Power Limited		
Dividend Income	2,504	-
Purchase of 700,000 (2020: Nil) shares	14,760	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

13.3 Balances outstanding at period end:

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	----- (Rupees in '000) -----	
Management Company		
MCB - Arif Habib Savings and Investment Limited - Management Company		
Remuneration payable	18,878	20,619
Sindh sales tax payable on remuneration	2,454	2,681
Sales load payable including related taxes	77	848
Payable against allocated expense	944	1,031
Payable against marketing and selling expenses	37,891	38,437
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	1,029	1,113
Sindh sales tax payable on remuneration	134	145
Security deposit	500	500
Group / associated companies		
MCB Bank Limited		
Bank balance	46,068	219,105
Profit receivable on bank balances	1,163	680
Sales load payable	-	-
MCB Bank Limited		
237,259 shares (2021: Nil shares)	36,384	-
Aisha Steel Limited		
6,163,500 shares (2021: 4,389,000 shares)	92,822	109,330
Power Cement Limited		
Nil shares (2021: 7,193,000 shares)	-	69,125
Nishat Mills Limited		
532,500 shares (2021: Nil shares)	42,376	-
Arif Habib Limited - Brokerage House		
Brokerage payable *	321	776
Adamjee Insurance Co. Limited		
Nil shares (2021: 1,034,500 shares)	-	42,901
Arif Habib Limited		
Nil shares (2021: 68,000 shares)	-	5,516
D.G. Khan Cement Company Limited		
3,911,216 shares (2021: 1,851,480 shares)	324,396	218,327
Lalpir Power Limited		
1,233,500 shares (2021: 7,202,500 shares)	17,405	128,637
Nishat Chunian Limited		
4,436,500 shares (2021: Nil shares)	202,083	-
Nishat Power Limited		
1,669,000 shares (2021: 969,000 shares)	33,180	19,041

* The amount disclosed represents the amount of brokerage paid to connected persons and not the purchase or sale value of securities transacted through them. The purchase or sale value has not been treated as transactions with connected persons as the ultimate counter parties are not connected persons.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2021 and June 30, 2021, the Fund held the following instruments measured at fair values:

	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
December 31, 2021 (Un-audited)				
At fair value through profit or loss				
Listed Equity Securities	10,996,934	-	-	10,996,934
June 30, 2021 (Audited)				
At fair value through profit or loss				
Listed Equity Securities	11,903,844	-	-	11,903,844

During the period ended December 31, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

The Fund has not disclosed the fair values of other financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of their fair values.

15. TOTAL EXPENSE RATIO

Total Expense Ratio of the Fund is 4.30% as on December 31, 2021 (December 31, 2020: 5.48%) and this includes 0.29% (December 31, 2020: 1.17%) representing Government Levy, Sindh Workers' Welfare Fund (SWWF) and SECP fee.

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

16. GENERAL

16.1 Prior period's figures have been rearranged / reclassified wherever necessary for better presentation and comparison. However, there were no material reclassifications to report.

16.2 Figures have been rounded off to the nearest thousand rupee unless otherwise stated.

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statement were authorised for issue by the Board of Directors of the Management Company in the meeting held on February 08, 2022.

For MCB-Arif Habib Savings and Investments Limited
(Management Company)



Chief Executive Officer



Chief Financial Officer



Director

MCB-Arif Habib Savings and Investments Limited

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